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# OHIO LEGISLATIVE SERVICE COMMISSION

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S.J.R. 7  
136<sup>th</sup> General Assembly

## Bill Analysis

**Version:** As Introduced

**Primary Sponsor:** Sen. Blessing

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### SUMMARY

- Proposes to amend the Ohio Constitution to allow the state or any political subdivision with a governing authority consisting solely of elected officials to levy a land value tax.
- Exempts burying grounds, lands that public schools or houses of worship are built on, and lands used solely for charitable or public purposes from the tax.
- Disallows any additional exemptions, reductions, or preferential tax treatment.

### DETAILED ANALYSIS

#### Land value tax

The Ohio Constitution authorizes the state and political subdivisions to levy tax on real property, i.e., land and improvements, provided they are levied “by uniform rule.” Part of the requirements of this uniform rule is that all real property must be taxed at the same percentage of its true value or, for farmland, at its current agricultural use value (CAUV).<sup>1</sup> For purposes of this analysis, these taxes are referred to as “property taxes.” The Ohio Constitution does not currently contemplate a tax on property that would apply solely to land and not improvements.

The resolution proposes to amend the Ohio Constitution to authorize the state and certain political subdivisions to levy a tax solely on the basis of land values, disregarding the value of improvements. A tax of this nature is often referred to as a “land value tax.” These land value taxes, similar to property taxes, must be applied by uniform rule according to the land’s true value, i.e., its fair market value. Only a political subdivision that has a governing authority consisting solely of elected officials may levy a land value tax.

<sup>1</sup> Section 2 of Article XII; Section 36 of Article II, not in the resolution.

## Exemptions and limits on legislative authority

The resolution exempts burying grounds, land upon which public schools or houses of worship are located, land used exclusively for charitable purposes, and public land used exclusively for any public purpose from land value taxes. Any further exemptions or partial exemptions are expressly prohibited. For property tax, in contrast, the Ohio Constitution allows the General Assembly to authorize similar exemptions, and, in addition, gives the General Assembly the sole authority to grant additional exemptions not listed in the Constitution.

The resolution additionally prohibits any other mechanism that serves to reduce land value tax collections, including granting tax credits, assessing land at a percentage of its true value (only 35% of a property's value is subject to property tax), authorizing a tax reduction factor that reduces tax collections based on increases in valuation (property taxes have this mechanism), or valuing types of land using special methods (similar to CAUV for farmland).

The resolution also prohibits the enactment of state or local laws that would reduce the tax rate or revenue collections of a land value tax, unless the state law is targeting a tax levied by the state or the local law is targeting a tax levied by that political subdivision.

### Voter approval

The Ohio Constitution allows unvoted property taxes of up to 1% of a property's valuation. Any additional rate must be approved by voters or be authorized in the charter of a municipal corporation. The resolution specifies that this restriction does not apply land value taxes.<sup>2</sup>

### Election and effective date

The resolution specifies that the amendment will be submitted to the electors at the general election to be held on November 3, 2026. If adopted by a majority of electors voting on it, the amendment takes effect January 1, 2027.

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## HISTORY

Action	Date
Introduced	10-21-25

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<sup>2</sup> Sections 2 and 2b of Article XII.